



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF STATE TRAVEL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

TO: ALL ELECTED OFFICIALS, DEPARTMENTS, AND PRESIDENTS OF COLLEGES AND UNIVERSITIES

**FROM: MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION**

DATE: JULY 1, 2003

RE: TRAVEL POLICIES AND PROCEDURES

I am pleased to present the new travel regulations for fiscal year 2003-2004. We received input from various departments that serve as a travel committee to review the travel regulations. Below is a summary of the key changes in the new travel policy.

Revisions to PPM 49:

- * Definition added: Receipts/Documentation Requirements – definition was added to give agencies discretion to determine where they will maintain back-up travel documentation.
- * Clarified that routine meetings can be inclusive as part of the annual Travel Authorization. They do not require special Travel Authorizations.
- * Promotional items such as frequent-flyer miles may now be retained by the employee for personal use. This is consistent with Federal GSA policy. However, if an employee makes travel arrangements that favor their preferred supplier and those arrangements conflict with the most economical means of travel, this is a violation of state policy. Such purchases are not reimbursable.
- * The Department/Agency is responsible for cancellation of the Corporate Cards for those employees terminating/retiring from state service.
- * Redefined the times and amounts allowed for Single Day Travel.
- * Added new Price Tiers for meal allowances.
- * Revised Hotel Lodging rates for some cities.

* Agencies now have discretion to allow for increased flexibility for parking allowances at the Baton Rouge and New Orleans airports.

* Clarified that Internet access charges and telephone charges for official state business are to be treated the same.

The past year has been a very volatile period for the travel industry. As a result of the war on terrorism and with Iraq, there have been drastic decreases in travel volume. Airlines and other travel suppliers are struggling with financial stability.

Airlines in an attempt to increase revenue and decrease costs have:

- Eliminated commissions
- Eliminated waivers & favors on ticketing rules & restrictions
- Changed policies regarding nonrefundable fares
- Eliminated negotiated discounts on lower fare classes
- Eliminated unprofitable routes
- Reduced number of aircraft
- Introduced paper ticket fee
- Implemented cost-sharing of reservation systems distribution costs with travel agencies

The State of Louisiana has partnered with Navigant International, who is the second largest travel agency in the nation, to be our contract travel agency. Navigant, along with other national leading travel agencies, is currently negotiating with major airlines to gain access to airline web fares. When accomplished, this will be a win-win for both the State and Navigant. We have also developed a pilot program through Navigant to offer a hands-on, self-booking product for our state travelers to access and make their travel arrangements on-line.

I believe it is in the state's best interest to exercise control over our travel program. Our transaction fee remains at \$23, which is paid to Navigant for their part in booking airfares and managing the program.

The advantages of having a centralized travel agency are:

- One phone call shops all airlines
- Value added-service offered by professional travel agents
- Assistance to process changes and/or seek refunds for cancellations
- Issue comprehensive management reports to negotiate contracts

- Safeguard for compliance of travel policy
- Exercise control of our travel program ensuring the airlines continue to offer state contracted airfares. These fares, while always are not the lowest cost, 1) are totally refundable, 2) have no cost/penalties involved for changes, and 3) the price is firm for last seat availability therefore allowing tickets to be purchased up to the last day. The state contract airfares result in approximate \$3 million dollar savings annually.

Therefore, I am asking for each department and employee to give their support in complying with travel policy. We are moving forward with technology but must do so at a pace that guarantees we are maximizing the state's interest over-all vs. some instant savings that may be available on a one-time purchase.

STATE TRAVELERS : PLEASE READ & ADHERE TO THE FOLLOWING RULES:

- * All airfares must be purchased through the contracted travel agency – Navigant International, unless prior approval is granted
- * When contacting Navigant an employee has choices – you can either purchase the state contract rate (which is a totally refundable, last seat available ticket) or; you may purchase the lowest-logical, penalty ticket if available at a cost less than contract (however generally it is not refundable.)
- * Please Note: if travel arrangements need be changed or cancelled and a non-refundable airfare ticket has been purchased, airlines require changes must be made prior to the original departure date and are subject to penalty charges of \$100 or more. If the ticket is not changed prior to the departure date, the entire cost of the ticket will be lost.

PLEASE REVIEW POLICY AND PROCEDURE MEMORANDUM 49 THOROUGHLY BEFORE MAKING YOUR TRAVEL ARRANGEMENTS TO ENSURE COMPLIANCE AND FOR PROPER REIMBURSEMENTS!